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DD/S

56-0576

CONFIDENTIAL

MEMORANDUM FOR: Director of Central Intelligence

THROUGH : Deputy Director (Plans)
Deputy Director (Support)

SUBJECT : Blanket Waivers

REFERENCE : IG Survey of the Office of the Comptroller,
20 October 1954, (TS #103026)

1. PROBLEM:

The Inspector General, after surveying the Office of the Comptroller, recommended the appointment of a joint committee by the DD/P and DD/S, to study the problems of projects given blanket waivers and to make appropriate recommendations to the Director.

This is the Committee's unanimous report.

2. FINDINGS OF FACT:



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3. DISCUSSION:

The support components of the Agency are responsible to the Director for ensuring proper fiscal and other administrative controls. They are also responsible, as their designation implies, for supporting operational activity through providing "know-how" in specialized fields within their competence.

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The general tenor of the Regulations is to provide for participation by support elements in the development and administration of the usual project. Such participation in the overwhelming majority of unusual projects is assured by the existence of PAPS. In the very rare case (for 1954, 2% of all projects) the magnitude or sensitivity of the project makes the Administrative Plan procedure unsuitable.

Absence of any participation by support elements, however, not only precludes those elements from exercising their responsibilities in ensuring necessary controls, but (and in the long run this is probably more important) deprives operational components of the expertise that the support elements could provide.

4. CONCLUSIONS:

There are and always will be a small number of projects which, because of their magnitude or sensitivity, defy any attempt at cataloguing for purposes of applying any standard procedures. Neither new regulations nor new standardized staffing channels can provide a solution. Activities which are sui generis must be handled as circumstances dictate.

The Director has the unquestioned legal authority to act as his mission may require.

The very magnitude or sensitivity of these unusual projects, however, makes them especially productive of the possibility of difficulty or embarrassment. More than the "ordinary" project, they must be supported with all the intellectual and experiential resources available to the Agency.

The Inspector General's recommendations (Annex A), although basically sound, may not be applicable to every project, and it is impracticable and unwise to attempt to force these few highly unusual projects into a mold. These recommendations also stress controls with (in our view) insufficient emphasis upon the assistance that support elements can render.

5. RECOMMENDATIONS:

- a. The Committee recommends that the Director consult with the DD/S prior to approving any request for a blanket waiver, in order that the DD/S may have an opportunity to submit suggestions as to possible participation by support elements.

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- c. The Committee recommends that any person made responsible for funds under a blanket waiver be required to maintain, within the limits of operational security, records sufficient to permit an audit of his accounts should the Director at any future time require the same, and that each blanket waiver contain language to this effect.
- c. The Committee recommends that the Director consider the Inspector General's recommendations, for application where appropriate, but that neither they nor any other set of "standard procedures" be applied routinely to projects for which blanket waivers are sought.

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Chief, Audit Staff

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CONCURRENCES:

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[redacted]
Deputy Director (Plans)

Date

151 L.K. White
Deputy Director (Support)

29 Feb 56
Date

Attachment:
ANNEX A

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The requested actions in paragraph 3 are approved.

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Attn: Director

Dulles

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Date

Comp/ERS/NY (25 Jan 56)

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